Video Arts Limited

Directors' report and financial statements

Registered number 01007689

For the year ended 30 September 2021

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 30 September 2021.

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company (see note 15).

Principal activities

Video Arts Limited's ('the Company') principal activity continues to be the production and distribution of training films, other specialist films and related services and products. The directors believe this will continue for the foreseeable future.

Directors

The directors of the Company during the year, and since year end, were:

M Addison
W A Rees
O G R Jones
J Roberts

Dividends

The directors do not recommend the payment of a dividend *(2020: £nil)*.

Political donations

The Company made no political donations during the period under review *(2020: £nil)*.

Going concern

The directors have undertaken detailed forecasts to verify the ability of the Company to continue in operational existence for the foreseeable future.

In making, this assessment management has undertaken a 12 month forecast under a range of potential scenarios to ensure it can continue as a going concern and meet its liabilities as and when they fall due for a period of not less than 12 months following the date on which the statutory accounts of the Group are signed. (See note 1 for further detail).

Through the analysis performed, the directors have verified that the Company has sufficient cash flow resources to maintain operations for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing the annual accounts.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small exemption of not including a strategic report as per section 414B of the Companies Act 2006.

Directors' report *(continued)*

This report was approved by the board and signed on its behalf by:

J Roberts
Director

Tinopolis Centre
Park Street
Llanelli
Carmarthenshire
SA15 3YE

25 January 2022

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent Auditor's report to the members of Video Arts Limited

Opinion

We have audited the financial statements of Video Arts Limited ("the Company") for the year ended 30 September 2021 which comprise the Profit & Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

KPMG

Independent Auditor's report to the members of Video Arts Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period for contracts which span the year end and the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as impairment.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing significant accounting estimates for bias
- Substantively tested a sample of contracts spanning the year end.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) inspection of the Company's legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and employment legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

KPMG

Independent Auditor's report to the members of Video Arts Limited (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and GDPR recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our auditor
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

KPMG

Independent Auditor's report to the members of Video Arts Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

P Barron

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
25 January 2022

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 September 2021

	Note	2021 £'000	2020 £'000
Turnover	2	**1,608**	1,520
Cost of sales		**(348)**	(340)
Gross profit		**1,260**	1,180
Administrative expenses		**(974)**	(952)
Other operating income		**6**	7
Operating profit and profit before taxation		**292**	235
Taxation (expense)/credit	6	**(9)**	40
Profit for the financial year		**283**	275
Total Comprehensive income for the year		**283**	275

All amounts relate to continuing activities.

The notes on pages 11 to 20 form part of the financial statements.

Balance sheet
at 30 September 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Intangible assets	*7*		**362**		257
Tangible assets	*8*		**18**		16
			380		273
Current assets					
Debtors (including £1,546,000 *(2020: £1,301,000)* due after more than one year)	*9*	**1,978**		1,977	
Cash at bank and in hand		**509**		577	
		2,487		2,554	
Creditors: amounts falling due within one year	*10*	**(1,490)**		(1,733)	
Net current assets			**997**		821
Net assets			**1,377**		1,094
Capital and reserves					
Called up share capital	*12*		**1**		1
Profit and loss account			**1,376**		1,093
Shareholders' funds			**1,377**		1,094

The notes on pages 11 to 20 form part of the financial statements.

The financial statements were approved by the Board on 25 January 2022.

J Roberts
Director

Statement of Changes in Equity

	Called up Share capital	**Profit and loss account**	**Total equity**
	£'000	**£'000**	**£'000**
Balance at 1 October 2019	1	818	819
Total comprehensive income for the period			
Profit or loss	-	275	275
Balance at 30 September 2020	1	1,093	1,094

	Called up Share Capital	**Profit and loss account**	**Total equity**
	£'000	**£'000**	**£'000**
Balance at 1 October 2020	1	1,093	1,094
Total comprehensive income for the period			
Profit or loss	-	283	283
Balance at 30 September 2021	**1**	**1,376**	**1,377**

The notes on pages 11 to 20 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Video Arts Limited (the "Company") is a private company limited by shares that is incorporated and domiciled in England in the UK. The registered number is 1007689 and the registered address is Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").* The amendments to FRS 101 (2014/15 Cycle) issued in July 2016 and effective immediately have been applied.

Tinopolis Group Limited includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 15.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with group companies wholly under the same ownership;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Tinopolis Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 *Financial Instrument Disclosures.*

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

As the company is a wholly owned subsidiary of Tinopolis Group Limited, the company has taken advantage of the exemption contained in FRS 101.8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.12.

Notes *(continued)*

1 Accounting policies *(continued)*

***Basis of preparation** (continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider appropriate for the following reasons.

The Directors considered the position presented in the recently approved budget and have prepared cash flow forecasts from the date of approval of these financial statements for a period of at least 12 months, which indicate that, taking account of reasonably possible downsides and the receding impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors have considered the potential impact of the ongoing COVID-19 pandemic on the cash flow forecasts. A reasonable possible downside case, which assumes that the Company generates 5% less revenue than forecast, shows, due to the variable nature of the majority of costs and strict cash management the Company has positive cash flows over the forecast period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover comprises the total value of goods sold, royalties and services invoiced to customers and is stated net of sales taxes. The Company's turnover incorporates content licences and bespoke content. Turnover is recognised when the performance obligation has been met. Content licenses will be recognised on an over time basis for those contracts where the content is hosted on the Company's platform using the time elapsed measurement or where the customer hosts the content, this will be recognised at a point in time based on right to use measurement.

1.4 Foreign currency

Transactions in foreign currencies are recorded at the appropriate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or at the rate of exchange ruling at the balance sheet date, the gains and losses on the translation are included in the profit and loss account.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	4 years
Fixtures, fittings and equipment	7 years
Leasehold refurbishments	Over length of lease

1.7 Intangibles - Learning content

Learning content expenditure is capitalised only if the product is commercially feasible and future economic benefits are probable. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over the estimated useful economic life of that asset which is 4 years on a straight line basis.

1.8 Stock – Learning materials

Stocks are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

1.9 Post-retirement benefits

The Company is part of a defined contribution pension scheme for eligible employees. The contributions under this scheme are held in trustee-administered funds completely separate from the Group's finances. The amounts charged against profit are based on the defined contributions payable.

1.10 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment

The company recognises loss allowances for expected credit losses on financial assets measured at amortised cost, and contract assets (as defined in IFRS 15).

Loss allowances for trade receivables are always measured at an amount equal to lifetime expect credit. Lifetime expected credit losses arise from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a trade receivable has increased significantly since initial recognition and when estimating expected credit loss, the company considers information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full.

Measurement of Expected Credit Losses

Expected credit loss are a probability-weighted estimate of credit losses. Credit losses are measured the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Government Grants

Government grants related to income are recognised in the period that the expense is incurred.

The company has shown income related government grants as other operating income in the statement of profit and loss and other comprehensive income.

1.12 Critical accounting estimates and judgements

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is given below:

Revenue recognition involves the assessment of performance obligations on contracts that are fulfilled over more than one accounting period. There are no significant judgements.

2 Turnover

Turnover and profits relate to the principal activity of the Company and are in respect of continuing activities. The analysis by geographical area is set out below:

	2021	2020
	£'000	£'000
United Kingdom	**994**	843
Europe	**287**	313
Rest of the world	**327**	364
	1,608	1,520

Timing of transfer of goods or services	**2021**	2020
	£'000	£'000
Content transferred at a point in time	**533**	605
Content transferred over time	**1,075**	915
	1,608	1,520

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities.

	2021	2020
	£'000	£'000
Receivables (note 10)	**372**	312
Contracts assets	**30**	47
Contract liabilities	**(292)**	(287)

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when we bill the customer. The contract liabilities primarily relate to the advance consideration received from customers.

The company applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Notes *(continued)*

3 Expenses and auditor's remuneration

	2021	2020
	£'000	£'000
Audit of these financial statements	**8**	8
Other operating income		
Coronavirus job retention scheme grant	**(6)**	(7)

4 Employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Administration	**3**	3
Sales and Marketing	**9**	8
	12	11

The aggregate payroll costs of these employees (including directors) during the year were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	**488**	446
Social security costs	**60**	53
Other pension costs	**27**	25
	575	524

5 *Directors' remuneration*

Included in administrative expenses is a charge for directors' emoluments of £116,000 (*2020: £106,000*).

The costs of services provided by the directors is £123,000 (*2020: £112,000*) of which £7,000 (*2020: £6,000*) has been borne by other group companies.

The emoluments of the highest paid director were £116,000 (*2020: £106,000*).

Company contributions to the defined contribution pension scheme for the highest paid director amounted to £13,000 *(2020: £12,000)*.

The number of directors to whom retirement benefits are accruing under defined contribution pension schemes is 1 (*2020: 1).*

Notes *(continued)*

6 Taxation

Recognised in the profit and loss account

	2021	2020
	£'000	£'000
UK corporation tax		
Current tax on income for the year	**-**	-
Adjustment in respect of prior year	**-**	(48)
Foreign tax expense	**7**	7
Total current tax (credit)/charge	**7**	(41)
Deferred tax		
Origination and reversal of timing differences (note 12)	**2**	1
Tax charge/(credit) on profit on ordinary activities	**9**	(40)

There was no income tax recognised in other comprehensive income.

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (*2020: lower*) than the standard rate of corporation tax in the UK 19% (*2020:* 19%) the differences are explained below.

Reconciliation of effective tax rate

	2021	2020
	£'000	£'000
Current tax reconciliation		
Profit before tax	**292**	235
Profit multiplied by the standard rate of corporation tax at 19% *(2020: 19%)*	**55**	45
Effects of:		
Expenses not deductible for tax purposes	**1**	5
Difference between depreciation and capital allowances	**10**	10
Withholding tax	**6**	5
Other timing differences	**-**	21
Adjustment in respect of prior year	**-**	(48)
Payment of group relief	**(65)**	(79)
Deferred tax timing difference	**2**	1
Total tax expense/(credit)	**9**	(40)

On 24 May 2021 a change to the future corporation tax rate was substantively enacted. The corporation tax rate remains at 19% for the tax years starting on 1 April 2021 and 1 April 2022 but will increase to 25% effective from 1 April 2023. The deferred tax asset has been calculated at 19% for UK operations as this is considered prudent. If calculated at 25% the deferred tax asset would have increased by £2,000.

Notes *(continued)*

7 Intangible Assets

	Learning Content £'000
Cost	
At 1 October 2020	4,249
Additions	261
At 30 September 2021	**4,510**
Amortisation	
At 1 October 2020	3,992
Charge for the year	156
At 30 September 2021	**4,148**
Net book value	
At 30 September 2021	**362**
At 30 September 2020	257

8 Tangible assets

	Leasehold £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 October 2020	4	178	7	189
Additions	-	9	-	9
At 30 September 2021	**4**	**187**	**7**	**198**
Depreciation				
At 1 October 2020	1	167	5	173
Charge for the year	-	6	1	7
At 30 September 2021	**1**	**173**	**6**	**180**
Net book value				
At 30 September 2021	**3**	**14**	**1**	**18**
At 30 September 2020	3	11	2	16

Notes *(continued)*

9 Debtors

	2021 £'000	2020 £'000
Due after more than one year		
Amounts owed by group undertakings	**1,546**	1,301
Due within one year		
Trade debtors	**372**	312
Amounts owed by group undertakings	**-**	245
Other debtors	**1**	1
Prepayments and accrued income	**51**	108
Deferred tax asset (see note 11)	**8**	10
	1,978	1,977

Amounts owed to group undertaking are interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	**15**	41
Amounts owed to group undertakings	**840**	1,115
Other taxation and social security	**57**	66
Other creditors	**102**	94
Accruals and deferred income	**476**	417
	1,490	1,733

Amount owed to group undertaking are interest free and payable on demand.

Notes *(continued)*

11 Deferred Taxation

	Deferred taxation £'000
Balance at 1 October 2020	10
Recognised in profit and loss account	**(2)**
Balance at 30 September 2021	**8**

The deferred tax asset is made up as follows:	**2021 £'000**	2020 £'000
Deferred capital allowances	**8**	10

The deferred tax asset has been calculated at 19% for UK operations as this is considered prudent. If calculated at 25% the deferred tax asset would have increased by £2,000.

12 Called up share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
650 Ordinary shares of £1 each	**1**	1

13 Contingent liabilities

The company is part of a cross-guarantee arrangement whereby the banking liabilities of Tinopolis Group Limited group, amounting to £133,443,000 (*2020: £124,242,000*) are secured by the assets of the company and its fellow subsidiaries.

The company entered into a guarantee and Debenture, comprising fixed and floating charges over the undertaking and certain of its assets, securing all monies due or to become due from the company and / or any of the other group companies.

Under the provisions of group registration for value added tax, the company and its fellow subsidiary companies are jointly liable for the indebtedness of each other.

14 Pension scheme

The Company is part of a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £27,000 (*2020: £25,000*).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes *(continued)*

15 Ultimate controlling party and subsequent events

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company. DMWSL 660 Limited had been the ultimate parent company prior to that date.

Tinopolis Group Limited is a company incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Tinopolis Group Limited. The consolidated financial statements of these group accounts are available to the public and can be obtained from Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.